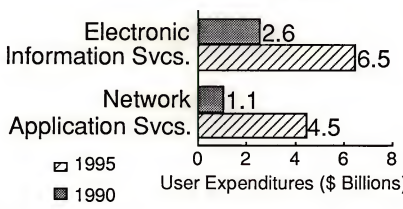
Western Europe

Network Services Market, 1990-1995



E-NS-1

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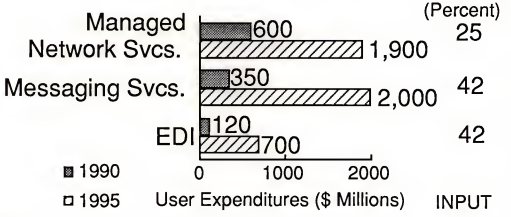
Western Europe

Network Application Services Market, 1990-1995



E-NS-2

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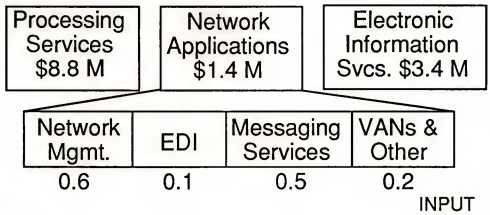
Western Europe

Market Sector Comparisons, 1991



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Notes

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Network Application Services Western Europe

Leading Vendors, 1989

Rank	Company	Est. Rev. ($ M)
1	GEIS	100
2=	Infonet	80
2=	BT/Tymnet	80
4	GSI	70
5	France Telecom	60

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Notes

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Electronic Information Services Western Europe

Leading Vendors, 1989

Rank	Company	Est. Rev. ($ M)
1	Reuters	700
2	Extel	250
3	Telerate	200
4	D&B	140
5	Telekurs	100

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Western Europe

Electronic Information Services, 1990

- One million users
- 1,000 data bases
- 100 on-line vendors

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Notes

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Western Europe

Electronic Information Services, 1990

- Over 1,000 publishers
- $2.7 billion market
- 10% growth forecast

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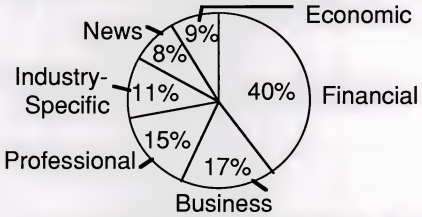
Electronic Information Services Western Europe

Breakdown by Sector, 1990



Total 1990 Market: $2.7 Billion

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Expanding Role of the Network

1990s

- Network becoming
  - The application driver
- New ways of doing business

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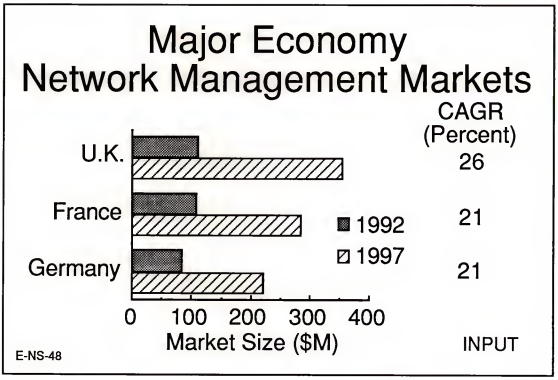

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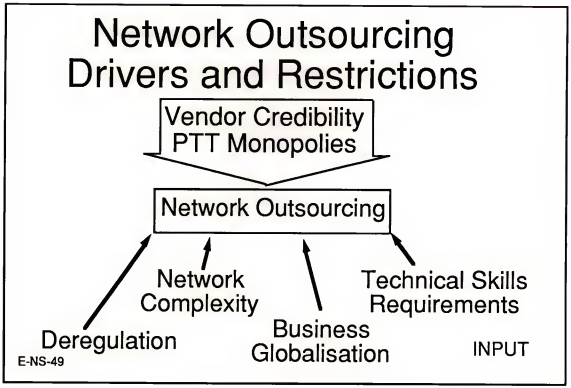

Notes

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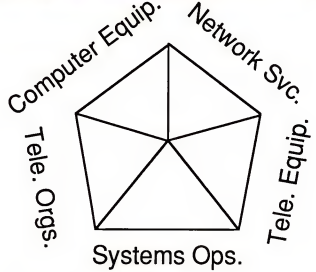
Vendors Active in Network Outsourcing



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Key User Requirements

- Increased geographic scope
- Freedom of voice communications
- Standardisation of traffic handling
- Simplified management
- Lower wage bills
- Maximise performance

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Major Reservations on Outsourcing

- Loss of control
- Loss of creative management
- Monopoly situation
- High costs
- Unclear vendor strategic direction

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Characteristics of Potential Outsourcing Candidates

- Organisation
  - Network not core business activity
  - Loss industry
  - Strong services orientation
  - Competitors taking lead

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E-NS-53

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Characteristics of Potential Outsourcing Candidates

- Network
  - Private development low
  - Low in-house management
  - Nationally biased
  - Limited international requirements

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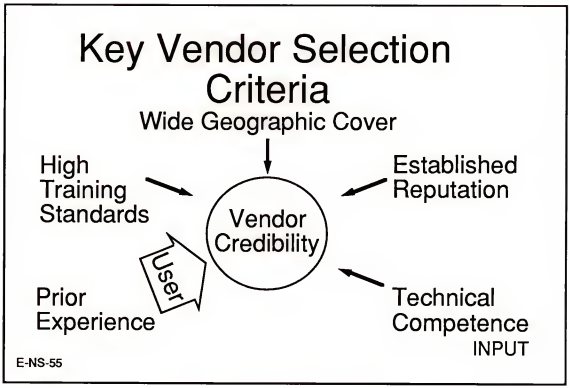

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U.S. Users Achieving

- Significant cost savings
- Reliability and availability improvements
- Increasing levels of satisfaction
- Focus on core business

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Users require close partnerships with vendors, based on clearly defined strategic goals.

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E-NS-57

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Network Outsourcing Conclusions from the U.S.

- Costs are reduced
- Network performance improves
- LAN and voice solutions are in the greatest demand

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Network Outsourcing Conclusions from the U.S.

- Preferred vendors are systems integrators
- Platform operations is commonly combined with network

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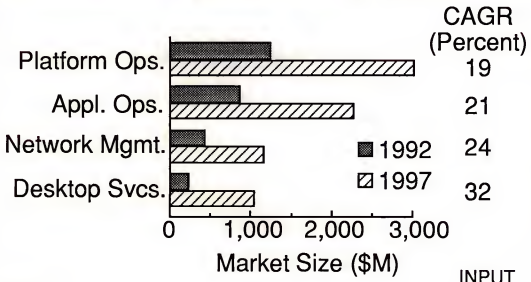
Systems Operations, Europe



E-NS-60

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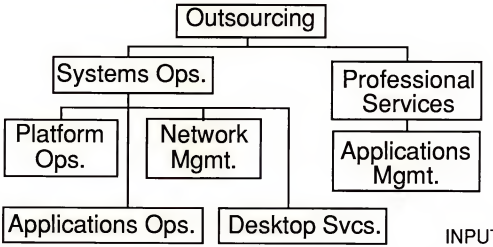
Outsourcing Components INPUT's View



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Vendor Direction

Utility → Value added

Technology → Business

Global reach → Account management

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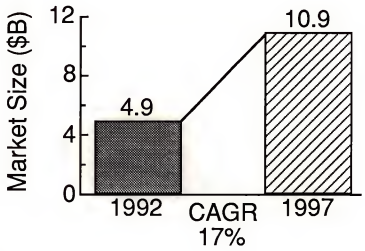
Network Services



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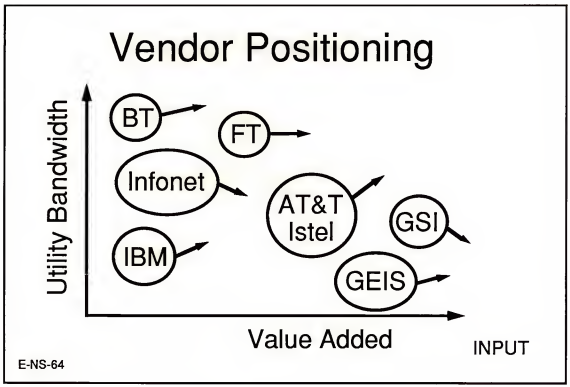

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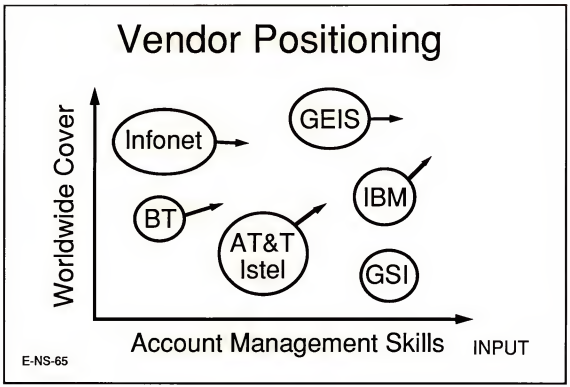

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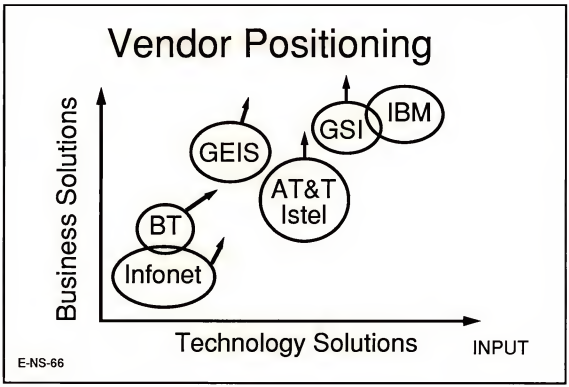

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GEIS is moving from network to business and consultancy services.

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Notes

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Infonet has excellent local partnerships and knowledge, but suffers from a lack of cohesion.

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BT has to provide added value in order not to be relegated to utility bandwidth provision.

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For **IBM**, network services is a necessary addition to the portfolio in order to retain large accounts.

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AT&T Istel has plans to be in the 'Top Five' by leveraging U.S. client business.

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E-NS-71

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Vendor Ratings

	IBM	GEIS	AT&T Istel	BT	Infonet
Geog. Cover	H	H	M	M	H
Voice Communications	L	L	M	H	L
Data Communications	H	M	H	H	M

INPUT

E-NS-72

Notes

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Vendor Ratings

	IBM	GEIS	AT&T Istel	BT	Infonet
Computing HW and SW	H	M	M	L	L
Support	H	M	M	L	L
Integration Capability	H	M	M	L	L

E-NS-73

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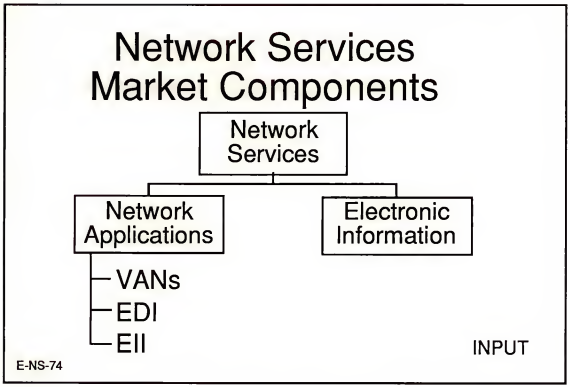

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Vendor Characteristics

Heritage	IS Industry
Focus	"Top 1,000"
Strengths	Vertical industries
Weaknesses	Geographic cover
Direction	Total solutions

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E-NS-75

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Leading Vendors 1991 Network Applications

	Market Share (%)	Est. Rev. ($M)
IBM	9.9	110
GEIS	9.5	105
Infonet	9	100
France Telecom	7.2	80

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E-NS-76

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Leading Vendors 1991 Network Applications

	Market Share (%)	Est. Rev. ($M)
BT/Tymnet	7.2	80
AT&T Istel	5.4	60
GSI	4.5	50

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